

VZCZCXYZ0000
PP RUEHWEB

DE RUEHSJ #0565/01 1882145
ZNR UUUUU ZZH
P 072145Z JUL 09
FM AMEMBASSY SAN JOSE
TO RUEHC/SECSTATE WASHDC PRIORITY 1012
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE PRIORITY
RHMFIUU/CDR USSOUTHCOM MIAMI FL PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEKJCS/JOINT STAFF WASHINGTON DC PRIORITY

UNCLAS SAN JOSE 000565

SENSITIVE
SIPDIS

DEPT FOR WHA, WHA/CEN AND USOAS; SOUTHCOM ALSO FOR FPA

E.O. 12958: N/A

TAGS: [HO](#) [KDEM](#) [PGOV](#) [PINR](#) [PREL](#) [CS](#)

SUBJECT: PRESIDENT ARIAS' TOUGH WORDS BUT SOFTER ACTIONS
MAY HELP POSITION HIM AS MEDIATOR IN HONDURAN CONFLICT

REF: SAN JOSE 544

1. (SBU) SUMMARY: Costa Rican President Oscar Arias is continuing calls for Honduran President Jose Manuel Zelaya's return, and says that his government will only recognize a democratically-elected government in Honduras. Costa Rica, who played host to Zelaya immediately after he was forced out of Honduras (reftel), finally joined its neighboring states in recalling its Ambassador to Honduras, but has preferred to avoid harsher measures. However, Arias has stated that he will not consider economic sanctions at this time, and GOCR officials criticized the temporary closing of the Guatemalan, El Salvadorian and Nicaraguan borders with Honduras, in large part due to domestic export interests. This tough words, softer action approach may help him as he begins to act as mediator in the conflict. The media in San Jose is already reporting that talks could begin here as early as July 9.
END SUMMARY.

ARIAS CONDEMNS COUP

2. (U) In a televised speech on July 2, President Arias set out his position on the developments in Honduras by calling for Zelaya's return to power, and a return to democratic norms in that country. "I don't share all of the ideas of the President of Honduras," Arias said, "and it is obvious that I have ideological differences with him and with some of his allies in Latin America. But I am a democrat by conviction, not by convenience, and it is my duty to support those governments elected by the people, regardless of their personal plans or ideologies." Zelaya's expulsion from Honduras "by a group of soldiers from the army was...unjustifiable," according to Arias.

3. (U) Despite the president's strong rhetoric, Costa Rica broke with the other Central American countries in not joining the 48-hour trade embargo enforced against Honduras, and calling for borders with Honduras and its neighbors to remain open. The GOCR's motives were not entirely altruistic. The Costa Rican private sector, along with the Ministry of Foreign Trade, loudly complained that even the brief closure seriously affected trade flows along the primary transport route for Costa Rican goods en route to U.S., Mexican and Guatemalan markets. Costa Rica's exporters association claimed that Costa Rican businesses had lost "millions" due to the border shutdown.

4. (U) Earlier on July 2, in a press conference following the weekly cabinet meeting, Arias told reporters that he hoped for an "energetic reaction" from the USG (to resolve the crisis in Honduras), adding that the solution would have to

come through the OAS. Arias also cited the "great influence" the U.S. military had over its Honduran counterpart. Arias reminded the media that he was the "first" regional leader to have condemned the coup in Honduras, and he reiterated the importance of standing firm "against the golpistas" in order to avoid a regional "domino effect," i.e., "opening the door" to future military actions against civilian leadership elsewhere in the region. When asked if he would serve as mediator in this conflict, Arias acknowledged that "this had been suggested," because of his Nobel prize, but he would only do so if both sides agreed.

EUROPEAN TRADE NEGOTIATIONS SUSPENDED

15. (SBU) SICA negotiations with the European Union on a free trade and association agreement, which were initially scheduled to recommence this week, have also been put on an indefinite hold in light of the situation in Honduras. GOCR officials have said that continuing the negotiations is impossible without representatives from a democratically elected government of Honduras. According to Linyi Baidal, Deputy Director of External Policy at the MFA, the only option to move forward would be to continue negotiations without Honduras, and allow Honduras to re-join the negotiations (with any proposed changes) after the restoration of a democratic government. However the EU has not yet signaled their desire to work in this two-tiered fashion, without which Baidal says the negotiations are "at the point of death". The European FTA is high on the list of issues that Arias would like to focus on during the GOCR's six-month Presidency of SICA, which began July 1, 2009.

MEDIA COVERAGE

16. (U) Costa Rican media coverage of the crisis fell more-or-less in line with the GOCR's official response, with editorial boards roundly condemning Zelaya's ouster, even if a number questioned Zelaya's politics leading up to it. An editorial on June 29 in La Nacion, Costa Rica's leading daily, said Zelaya himself was principally responsible for the coup, yet also categorically rejected the actions of plotters as anti-democratic and called for Zelaya's return as president. La Republica, Costa Rica's business-focused paper, called for a return to democracy in Honduras but also worried that an extended period of unrest would hurt Costa Rican business interests. And Diario Extra, another popular daily, called the coup a "step backward for democracy (which) requires the immediate repudiation of all the world's countries."

COMMENT

17. (SBU) Although Zelaya's arrival here June 28 caught the GOCR off guard, Arias clearly hoped he could take advantage of Costa Rica's current SICA presidency to reprise his peacemaker role from the late 1980's and help forge a deal that would help restore democracy in Honduras. Zelaya's exit on board a Venezuelan jet that night seemed to have dashed those hopes, although Arias publicly left open the door to his serving as mediator. Now, Arias is no doubt delighted to have been asked by the Secretary (and evidently approved by Zelaya and Micheletti) to play that role. The media here is reporting that talks could begin in Costa Rica as early as July 9.

HENIFIN